

*Guaranteed Annual Income*

hensive than that used under the U.S. income tax system and is also a family measure because it includes income of all family members. The definition of income used in the income tax system has been broadened to include such things as pensions, gifts, gross rented value of owner-occupied housing occupied rent free, social security payments, capital gains and losses, but it excludes public assistance payments and permits certain other deductions. The period over which income is calculated—

**The Acting Speaker (Mr. Béchard):** Order. I regret having to interrupt the hon. member, but his time has expired.

**Some hon. Members:** Continue.

**The Acting Speaker (Mr. Béchard):** Does the House give unanimous consent?

**Some hon. Members:** Agreed.

**Mr. McBride:** Thank you, Mr. Speaker. The period over which income is calculated for determining the benefit is an important feature of the scheme. The prime consideration in a guaranteed income maintenance scheme is to match current benefits to current income in the benefit year so that benefits are neither too high nor too low for current needs. Under the positive income tax system the problem is handled by using an annual accounting period with pay-as-you-go taxes or a scheme for withholding tax payments so that taxpayers are kept "current" and are not faced with unduly heavy tax payments when the income tax returns are filed. There are certain other important features which have to do with this experiment, Mr. Speaker, but I wish to share with the House only some of the conclusions which are to be drawn from it.

Preliminary results of the survey have just been released by the Office of Economic Opportunity. Again, Mr. Speaker, they were referred to by the hon. member previously. These results are based upon an analysis of the data gathered in the period August, 1968, to October, 1969, from 509 families in Trenton, Paterson and Passaic, New Jersey. The data suggest, and I think this is the most important thing of all, that there is no evidence that work effort declined among those receiving income support payments. On the contrary, there is an indication that the work effort of participants receiving payments increased relative to the work effort of those not receiving payments. Low income families receiving supplementary benefits tend to

[Mr. McBride.]

reduce borrowing, buy fewer items on credit, and purchase more consumer goods such as furniture and appliances.

A number of in-depth interviews of participants in the project were conducted in order to determine the attitudes of low income individuals toward work. These interviews clearly indicated that low income people are strongly motivated toward work. The majority of those interviewed indicated that they aspire for a better job and are willing to move to another city or take training even if it means a pay cut in order to get that better job. The majority also indicated that they are willing to work in two jobs to support their families. Of all the factors influencing work choice, job security was ranked twice as high by participants as any other job factor, including wages, working conditions or job interest. These people wanted to work. Here again, this study destroys the widely-held myth that the poor are lazy and that they are only poor because they are lazy. These responses from the participants indicate that supplementary income assistance will not reduce their work effort.

We have a number of other experiences within Canada, but in case other hon. members wish to participate in this debate I will now relinquish the floor.

**Mr. Gilbert:** Mr. Speaker, would the hon. member permit a question? I rather enjoyed his interesting remarks for 25 minutes, but I could not reach any conclusion as to whether he agreed with a guaranteed annual income. Would he tell us?

**Mr. McBride:** Mr. Speaker, if the House agrees I will be happy to finish my speech.

**Mr. Knowles (Winnipeg North Centre):** Just answer yes or no.

**Mr. McBride:** Unfortunately, Mr. Speaker, I had carried out too much research and had too much material before me, but I think it is very clear that I am much enthused about the Calgary experiment and I think there is important knowledge to be gained from it upon which legislation could be based. I am equally enthused about the New Jersey experiment. I am sure that much of the study now being undertaken on old age security annual supplements will also be of benefit in bringing about useful, positive legislation in Canada.

**Mr. David Weatherhead (Scarborough West):** Mr. Speaker, I would like to thank my hon. friend, the member for Oshawa-Whitby